



***Program Compliance Office  
Cal Grant Program Review Report***

***2003-04 Award Year***

**Fresno Pacific College  
Program Review ID#80500125300**

**1717 S. Chestnut Avenue  
Fresno, CA 93702**

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**Program Review Dates:**

November 2005

**Auditor:**

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**Report Approved by:**

Charles Wood, Manager  
Program Compliance Office  
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**AUDITOR'S REPORT**

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## SUMMARY

We reviewed Fresno Pacific College's administration of California Student Aid Commission (Commission) programs for the 2003-04 award year.

The institution's records disclosed the following deficiencies:

- Education Level reported incorrectly
- Cal Grant Tuition Award Exceeds Actual Tuition Charged
- Written authorization to apply Cal Grant B Access award towards other school charges was not obtained
- Reconciliation discrepancies for the 2003-04 award year
- Inadequate Accounting System

## BACKGROUND

Through institution compliance reviews, the administration of Commission programs is evaluated to ensure program integrity with applicable laws, policies, contracts and institutional agreements as they pertain to the following grant programs administered by the Commission:

Cal Grant A, B, and T

A, B, and T

The following information, obtained from the institution and Commission database, is provided as background on the institution:

### A. Institution

- Type of Organization: Institute of Higher Education, Private, Non-profit
- President: Dr. D. Merrill Ewert
- Accrediting Body: Western Association of Schools & Colleges
- Size of Student Body: 2,282

## B. Institutional Persons Contacted

- Korey A. Compaan : Director of Student Financial Services
- Amber Blodgett: Associate Director of Financial Aid
- Karin Olson: Assistant Director of Student Account
- John Ward: V.P. Finance & Business Affairs

### C. Financial Aid

- Date of Prior Commission Program Review: None
- Branches: Visalia Center, Visalia, CA  
Bakersfield Center, Bakersfield, CA
- Financial Aid Programs: Federal: Family Educational Loan Program, Work Study, Pell, Perkins, and SEOG  
State: Cal Grant A, B and T
- Financial Aid Consultant: None

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## AUDITOR'S REPORT (continued)

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### OBJECTIVES, SCOPE AND METHODOLOGY

The purpose of our review is to provide the Commission with assurance that the institution adequately administered the Commission programs and their compliance with applicable laws, policies, contracts and institutional agreements as they pertain to the grant programs administered by the Commission.

The review focused on, but was not limited to, the following areas:

- A. General Eligibility
- B. Applicant Eligibility
- C. Fund Disbursement and Refunds
- D. Roster and Reports
- E. File Maintenance and Records Retention
- F. Fiscal Responsibility for Program Funds

The specific objectives of the review were to determine that:

- Administration systems have adequate controls to ensure that grant funds received by the institution are secure.
- Administration systems have adequate controls to ensure that grant payments are accurate, legal and proper.
- Accounting requirements are being followed.

The procedures performed in conducting this review included:

- Evaluating the current administrative procedures through interviews and reviews of student records, forms and procedures.
- Evaluating the current payment procedures through interviews and reviews of student records, forms and procedures.
- Reviewing the records and grant payment transactions from a sample of 40 students who received a total of 27 Cal Grant A awards and 10 Cal Grant B and 3 Cal Grant T awards within the review period. The program review sample was randomly selected from the total population of 230 recipients.

The review scope was limited to planning and performing procedures to obtain reasonable assurance that Commission grant funds were administered according to the applicable laws, policies, contracts and institutional agreements. Accordingly, transactions were examined on a test basis to determine whether grant funds were expended in an eligible manner. The auditor considered the institution's management controls only to the extent necessary to plan the review.

This report is written using the exception-reporting format, which excludes the positive aspects of the institution's administration of the California grant programs

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## AUDITOR'S REPORT (continued)

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**OBJECTIVES,  
SCOPE AND  
METHODOLOGY  
(continued)**

The names and social security numbers of the sample of students reviewed have been excluded from the body of this report and have been replaced by identifying numbers. Attachment A is a listing of the students by name, social security number and grant type.

**CONCLUSION**

In conclusion, except for the deficiencies cited in the Findings and Required Actions section of this report, the institution administrated the Commission grant programs in accordance with the applicable laws, policies, contracts and institutional agreements as they pertain to the Commissions grant programs.

**VIEWS OF  
RESPONSIBLE  
OFFICIALS**

The review was discussed with agency representatives in an exit conference held on November 16, 2005.

November 16, 2005

Charles Wood, Manager  
Program Compliance Office

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## FINDINGS AND REQUIRED ACTIONS

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**B. APPLICANT  
ELIGIBILITY:**

**FINDING: Education Level Reported Incorrectly**

A review of 40 student files disclosed 2 students in which the correct grade level was not reported to the Commission.

**DISCUSSION:**

The Educational Level (EL) Report is used to verify a new Cal Grant A, B, and C recipient's educational level. A recipient's EL determines the number of years a student will be eligible to receive Cal Grant benefits. Education levels of new Cal Grant recipients will be determined by the institution at which an initial Grant payment is received. The verification should not be based on the EL of the recipient at the time the report is received and/or completed.

The undergraduate student classification is as follows:

Classification	Units
Freshman	0 - 29
Sophomore	30 - 59
Junior	60 - 89
Senior	90 - 119

An examination of the Education Level of student Nos. 6 and 21 disclosed that the institution did not report the correct grade level.

No.	Incorrect Grade Level	Incorrect Eligibility	No. of Units Prior to fall 2002	Correct Grade Level	Correct Eligibility
6	3	200%	58	2	300%
21	2	300%	70	3	200%

**REFERENCES:**

Cal Grant Manual, Chapter 2, page 2-5 thru 2-6  
Cal Grant Manual, Chapter 5, page 5-4  
Cal Grant Manual, Chapter 5, page 5-11 thru 5-13  
Cal Grant Manual, Chapter 7, page 7-3 thru 7-6  
Institutional Agreement III.C.1 and III.C.8

**REQUIRED ACTION:**

In response, the institution must provide the written policies and procedures that will be put into place to ensure that the correct grade level is reported to the Commission.

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## FINDINGS AND REQUIRED ACTIONS (continued)

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### INSTITUTION RESPONSE:

FPU agrees with the finding that two students (Nos. 6 & 21) had an incorrect Grade Level reported.

**Response:** To prevent this from happening in the future, FPU will immediately incorporate an additional step to the semesterly reconciliation process. In addition to reconciling payments and disbursements, it will be the responsibility of the Cal Grant Administrator to also reconcile Educational Level of all new Transfer Students. A report will be devised to pull the number of units transferred to FPU which can then be easily compared to the Education Level reported on the roster.

### AUDITOR REPLY:

The institution supplied policies and procedures. This action is deemed acceptable and no further action is required.

#### C. FUND DISBURSEMENT AND REFUNDS:

#### **FINDING 1: Cal Grant Tuition Award Exceeds Actual Tuition Charged**

A review of 40 student files disclosed 1 case where the institution overpaid a student Cal Grant funds.

#### **DISCUSSION:**

The California Education Code indicates that Cal Grant tuition/fee awards shall be used only for tuition and student fees. Based on a recipient's financial need, the Commission makes tuition/fee payments up to a maximum annual award **not to exceed the school's actual tuition/fee charges.**

Student No. 13 received Cal Grant A tuition award of \$4,850 for fall 2003. The student was charged \$4,530 in tuition and fees for the term. The student was only eligible for \$4,530 and the ineligible amount of \$320 (\$4,850 - \$4,530) must be returned.

#### **REFERENCES:**

California Education Code 69532 (b)  
Institutional Agreement, Article IV.C.4  
Cal Grant Manual, June 1997, Chapter 5, pages 5-11, 5-20 and 5-21  
Cal Grant Manual, September 2003, Chapter 9, page 4

#### **REQUIRED ACTION:**

The institution must return the ineligible amount of **\$320** for student No. 13. The institution must also provide the written policies and procedures that will be put into place to ensure that Cal Grant funds for tuition only will not exceed the actual tuition and fees charged.

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## FINDINGS AND REQUIRED ACTIONS (continued)

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### INSTITUTION RESPONSE:

FPU agrees with the finding that one student was overpaid Cal Grant Funds in relation to tuition.

**Response:** For all of our programs, the cost of tuition far outweighs the amount of the Cal Grant award, so this finding took us quite by surprise. In this instance, a student attended a study abroad program in 2004/SP and ended up registering for only twelve units, but one of the classes she registered for was not accepted for transfer back to FPU. When this adjustment was made by the Registrar's Office (after the official transcript had been received for the study abroad program), the actual tuition charged to the student for program was reduced reflect this course which was not equated, and the resulting tuition amount ended up being \$320 less than the Cal Grant Award.

This is an issue which has already been addressed with the Registrar's Office and a solution is in place. After each semester, a list of all students on study abroad is produced and the Financial Aid Office reviews each student to ensure that no adjustments need to be made to the financial aid package.

However, we will also incorporate this check as part of the Cal Grant Administrators' semesterly and yearly reconciliation process. This will provide a double-check to the process described above and ensure that any situation which may have been overlooked is caught and remedied in a timely fashion.

### AUDITOR REPLY:

The institution returned \$320 on check # 122477 dated March 31, 2006 and supplied policies and procedures. This action is deemed acceptable and no further action is required.

#### C. FUND DISBURSEMENT AND REFUNDS:

#### **FINDING 2: Written Authorization to Apply Cal Grant B Access Award Towards Other School Charges Was Not Obtained**

A review of 15 Cal Grant B recipient files disclosed 4 cases in which the institution did not obtain the proper authorization to apply access payments to institutional charges prior to disbursing the award for all of the students.

### DISCUSSION:

Prior to July 1, 2003, institutions were permitted to disburse Cal Grant B Access and Cal Grant C Book and Supplies payments to a recipient's account only if the recipient provides a written authorization at least once during the academic year and prior to disbursement. The school must retain this written authorization in the recipient's file and should provide the recipient with the option to rescind the authorization before payment is made.



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## FINDINGS AND REQUIRED ACTIONS (continued)

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As of July 1, 2003, the Institutional Participation Agreement Article IV(C)(7) was amended to state, "Establish and publish a policy that informs students of their options regarding receipt of Cal Grant funds and their subsequent ability to rescind their existing instructions at any time." Additionally, the Cal Grant Manual, September 2003, Chapter 9, page 4 explains, "This policy should be explicit on at least the following points:

- Access or Books & Supplies payments are disbursed in accordance with school policy unless the student requests another action. For example, if the school normally applies Access funds directly to tuition, the student may request that the term amount be delivered direct to them
- The student may make this request at any time; however, any cancellation only affects future payments
- Access or Books & Supplies payments cannot be delivered to a third person

An examination of the files for all Cal Grant B recipients disclosed that the institution did not obtain written authorization to apply the Access payment for student Nos. 16, 21, 28, and 38.

### REFERENCES:

Institutional Participation Agreement IV.C.7  
Cal Grant Manual, June 1997, Chapter 5, Page 20

### REQUIRED ACTION:

No action is required. Effective 2005-06 award year the institution revised and implemented an establishes and publishes a policy that informs students of their options regarding receipt of Cal Grant Funds and their subsequent ability to rescind their existing instructions.

#### F. FISCAL RESPONSIBILITY FOR PROGRAM FUNDS:

#### **FINDING 1: Reconciliation Discrepancies for the 2003-04 Award Year**

A review of school accounting records revealed that Cal Grant Funds were not reconciled for the 2003-04 award year.

### DISCUSSION:

The Commission strongly recommends that schools reconcile Cal Grant payments on a monthly basis. At a minimum, Cal Grant participating institutions must reconcile their accounts with the funds received from the Commission for each academic year. Should the institution's records of individual payments to eligible students be less than what the Commission paid, the institution must return the difference to the Commission.

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**FINDINGS AND REQUIRED ACTIONS (continued)**

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Schools must make all disbursements by September 30 following the end of the award year (for example, September 30, 2006, for award year 2005-06). At the latest, all payment transactions must be reported prior to the start of the month-end processing the following November. The school will bear the liability for payments not reported prior to the November month-end processing cycle.

For the 2003-04 award year, the Commission advanced \$5,229,707.00. Upon further examination of institution accounting records, the school disbursed a total amount of \$5,216,863.86. Of the \$5,216,863.86 disbursed, \$6,497.36 in payments was not reported to the Commission prior to the 2003-04 year-end reconciliation. The unreported payments are unable to be reimbursed and are detailed in the following chart.

2003-04 Unreported Payments			
No.	CSAC Paid	Institution Paid	Difference
1	\$ 5,629.00	\$ 5,630.00	\$ 1.00
2x	5,629.00	5,630.00	1.00
4x	9,620.00	9,625.00	5.00
5x	2,158.00	2,158.36	0.36
7x	11,258.00	11,258.50	0.50
8x	10,409.00	10,410.00	1.00
10x	11,258.00	11,259.00	1.00
11x	11,258.00	11,259.00	1.00
12x	4,358.00	5,134.00	776.00
15x	14,074.00	14,075.00	1.00
16x	12,246.00	12,247.50	1.50
17x	5,629.00	5,630.00	1.00
19x	5,629.00	5,630.00	1.00
21x	5,630.00	11,259.00	5,629.00
23x	8,517.00	8,518.00	1.00
24x	5,629.00	5,630.00	1.00
25x	3,450.00	3,525.00	75.00
<b>Total 2003-04 Unreported Payments</b>			<b>\$6,497.36</b>

The total disbursements to be reimbursed by the Commission for the 2003-04 award year equaled \$5,210,366.50 (\$5,216,863.86- \$6,497.36). Fresno Pacific College disbursed \$19,340.50 (\$5,229,707.00- \$5,210,366.50) less than the amount advanced by the Commission as illustrated on the next page:

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**FINDINGS AND REQUIRED ACTIONS (continued)**

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2003-04 Undisbursed Funds			
No.	CSAC Paid	Institution Paid	Difference
3x	\$4,854.00	\$ 0.00	\$ 4,854.00
6x	3,848.00	0.00	3,848.00
13x	5,486.00	5,485.00	1.00
9x	11,259.00	11,258.50	.50
14x	11,259.00	5,629.00	5,630.00
18x	7,029.00	7,028.00	1.00
20x	11,259.00	11,258.00	1.00
22x	8,242.00	3,532.00	4,710.00
26x	5,923.00	5,629.00	294.00
38	8,443.00	8,442.00	1.00
<b>Total 2003-04 Undisbursed Funds</b>			<b>\$19,340.50</b>

**REFERENCES:**

California Education Code, 69535.5  
Institutional Agreement, Article III.B  
Institutional Agreement, Article III.C  
Institutional Agreement, Article IV.D  
Cal Grant Manual, Chapter 6  
Cal Grant Manual, Chapter 9, page 9-6, 9-7, 9-11

**REQUIRED ACTION:**

In response to this finding, the institution must remit the undisbursed funds in the amount of **\$19,340.50** for the 2003-04 award year to the Commission as directed in the general payment instructions at the conclusion of the report. Additionally, the institution is required to submit the reconciliation for award year 2004-05 (refer to finding F.2 for details).

Furthermore, the institution must provide written procedures and internal control measures that will be implemented to ensure that the institution reconciles its records as required by the Institutional Agreement and the Cal Grant Manual. The procedures must include time frames, staff titles, and specific areas of responsibilities as it relates to the Cal Grant reconciliation.

In addition, the policy and procedures should incorporate that any excess funds of the reconciled amount to the Commission should be repaid with or without receipt of an invoice from the Commission.

**INSTITUTION RESPONSE:**

FPU partially agrees with the findings on the discrepancies of the reconciliation. The Unreported Payments are all accurate. Procedures to eliminate these in the future are discussed below.

## FINDINGS AND REQUIRED ACTIONS (continued)

The Undisbursed Funds are accurate as well, with the exception of Student No. 14x (see Appendix A for descriptive information).

2003-04 Undistributed Funds			
No.	CSAC Paid	Institution Paid	Difference
2	\$11,259.00	\$5,629.00	\$5,630.00

The following is a printout from the Student History section of this students Web Grants record:

PG	AW	School Id	Award Yr	Term	Pay Amt	Pay Stat	Elig Used	Adj Amt	Adj Rsn	Date	Rec Type
B	T/F	125300	2004	FL		RA	25	2150	AH	6/17/2005	PAY
B	ACCS	125300	2004	FL		RA	25	388	HT		PAY
B	T/F	125300	2003	FL	4854	RP	50			5/28/2005	PAY
B	ACCS	125300	2003	FL	776	RP	50				PAY
B	T/F	125300	2003	SP	4854	RP	50			3/5/2004	PAY
B	ACCS	125300	2003	SP	775	RP	50				PAY
B			2002	FL					LA	2/20/2003	PAY
B	T/F	125300	2002	SP	4854	RP	50			3/27/003	PAY
B	ACCS	125300	2002	SP	775	RP	50				PAY
B	ACCS	125300	2001	FL		RA	37.5	582	TT	11/8/2001	PAY
B	ACCS	125300	2001	SP		RA		0	LA	3/7/2002	PAY

The payment in question (highlighted in light green above) is what is listed as the 2003 FL (both the Cal B and the Access portion - \$4854 + \$776 = \$5630) payment dated 5/28/04. It appears that it was discovered very late by FPU that this student had not received Cal Grant funds she was eligible for during the 2003 Summer term. It was noticed on 5/10/04, and payment was received from CSAC on 5/28/04.

As the documentation from our Student Information System (Appendix A) clearly shows, the student was registered in four terms at FPU - 2002 Summer, 2003 Spring, 2003 Fall and 2004 Fall.

The documentation from WebGrants (above) clearly shows that the student was paid on four separate occasions. It is the recording of the dates of the green section above which has caused the confusion. Had the payment been reportedly correctly, this would not be included in the 2002-2003 reconciliation (which is why it did not appear in the student payment records submitted by FPU).

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## FINDINGS AND REQUIRED ACTIONS (continued)

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FPU asks that the Commission acknowledge the confusion and, if possible, adjust the students payment record to accurately reflect the correct period of attendance and payment.

The overall balance due for the 2003-2004 reconciliation of funds of \$19,660.50 has been reduced by \$5,630 to \$14,030.50 to accurately reflect the situation.

### **Reconciliation for 2004-05**

Upon performing the reconciliation for 2004-2005, five discrepancies were found two unreported payments & three undisbursed funds (see Appendix B for student identifying information):

2004-05 Unreported Payments			
No.	CSAC Paid	Institution Paid	Difference
1	\$11,258.00	\$11,259.00	\$ 1.00
3	\$ 9,708.00	\$12,135.00	\$2,427.00
<b>Total 2003-04 Unreported Payments</b>			<b>\$2,428.00</b>

2004-05 Undistributed Funds			
No.	CSAC Paid	Institution Paid	Difference
2	\$5,630.00	\$5,629.50	\$ .50
4	\$5,630.00	\$5,629.50	\$ .50
5	\$5,630.00	\$4,221.00	\$1,409.00
<b>Total 2003-04 Undistributed Funds</b>			<b>\$1,410.00</b>

Documentation for these numbers is provided on the enclosed CD in two Excel Spreadsheets:

#### Cal Grant Recon 04-05 FPU Student Payments

Especially see worksheets --

- 04-05 Totals
- 04F A 05SP 05SS CAL AWARDS

#### Cal Grant Recon 04-05 CSAC Reconciliation

Especially see worksheet --

- 04.05 Cal Recon - Totals Only

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## FINDINGS AND REQUIRED ACTIONS (continued)

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### **Reconciliation Procedures To Be Implemented by FPU**

Beginning immediately, the Cal Grant Administrator in the Student Financial Services Office will perform a minimum of four reconciliations annually:

- February - for the previous fall term
- June - for the previous fall and spring terms
- October - for the previous fall, spring and summer terms
- December - just prior to the close of CSAC's award year to ensure nothing has changed from the October reconciliation

For each reconciliation, the Cal Grant Administrator will utilize the Reconciliation template on Web Grants and electronically merge that with student payment data from FPU (keeping copies of all documentation). Any discrepancies will be noted and appropriate action will be taken - additional funds will be requested or excess funds will be returned to the Commission (with or without receipt of an invoice from the Commission).

In addition to the three term-based reconciliations, the Cal Grant Administrator will become more actively involved in the institution's annual audit that takes place in June/July. Working closely with the Controller (or someone appointed by the Controller) and the internal auditors, the Cal Grant Administrator will assist in the process of reconciling funds advanced to the institution with funds disbursed to students.

### **AUDITOR REPLY:**

The institution returned \$15,120.00 (\$13,710 for 2003-04 and \$1,410.00 for 2004-05) on check # 122477 dated March 17, 2006 and supplied policies and procedures. This action is deemed acceptable and no further action is required.

F. FISCAL  
RESPONSIBILITY  
FOR PROGRAM  
FUNDS:

### **FINDING 2: Inadequate Accounting System**

A review of the institution's accounting records revealed deficiencies in the management of Cal Grant funds.

### **DISCUSSION:**

Upon execution of the Institutional Participation Agreement between the California Student Aid Commission (Commission) and Fresno Pacific College (Institution), the institution agrees to the terms and conditions of the Agreement.

The institution agrees to administer the Cal Grant programs with adequate checks and balances in its system of internal controls and maintains an accounting system which conforms to generally accepted accounting principles/practices and shall include, but not be limited to, cash receipts and disbursement journals, bank reconciliations, evidence of receipt or credit of funds to recipients and all other accounting records necessary to account for all transactions.

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## **FINDINGS AND REQUIRED ACTIONS (continued)**

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The institution's fiscal records should provide a clear audit trail of the status of Cal Grant funds from the time they are received by the school from the State Controller's Office (SCO) through the time they are used to pay students' eligible charges, delivered to the student in the case of Access or Books and Supplies payments, or refunded back to the Commission. Each institution must maintain a detailed accounting of all Cal Grant funds it receives.

The fiscal records must reconcile with specific year advances from the SCO. Fiscal records must identify not only the program, but also the award year to which the funds are being applied. For example, if the records show Cal Grant funds were disbursed to a student on August 24, 2004 it must also reflect whether those funds were for the 2003-04 or the 2004-05 Cal Grant award year. This determination is critical in ensuring that funds are reported on the appropriate year's roster and ensures all funds were reconciled for a particular award year.

A review of the institution's General Ledger Detail Trial Balance for Fiscal Year 2004, revealed the institution's Fiscal Year covers May 1, 2003 through April 30, 2004. The 2003-04 Cal Grant award year covers the period July 1, 2003 through December 31, 2004. Because the institution's fiscal year begins in May, the Fiscal Year 2004 ledger may contain transactions from both the 2002-03 and 2003-04 Cal Grant award years. Additionally, some 2003-04 Cal Grant transactions may fall in the institution's Fiscal Year 2005 ledger.

The institution is not currently specifying the appropriate award year in the description of each transaction that appears on the General Ledger Detail Trial Balance. Hence, a reconciliation of Cal Grant funds per award year cannot be performed using the documents provided by the institution.

### **REFERENCES:**

Institutional Participation Agreement, Article IV  
Cal Grant Manual, Chapter 6, June 1997  
Cal Grant Manual, Chapter 9, pages 9-6 and 9-7, June 1997  
Cal Grant Manual, Chapter 2, July 2004, pages 3-6

### **REQUIRED ACTION:**

Starting with the 2004-05 award year and forward, the institution must determine if any excess/prior year/carryover/deferred revenue Cal Grant funds exists and provide supporting documentation (general ledgers, etc.).

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## FINDINGS AND REQUIRED ACTIONS (continued)

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The institution **will be required** to submit a reconciliation report for the 2004-05 award year using the General Ledger Detail Trial Balance for the Period 5/1/04 through 4/30/05 and 5/1/05 through 4/30/06 that shows:

1. The beginning balance as of 7/1/04 and the ending balance as of 6/30/05.
2. The student payments per the General Ledger identified as award year 04-05 paid during 7/1/04 through 6/30/05 as well as 04-05 payments per the general ledger from 7/1/05 through 6/30/06.

The institution must provide the student payment information on diskette in spreadsheet format to include the following data element columns as follows:

SSN	Student Last Name	Student First Name	Cal Grant Type	FL-04 Paid	SP-05 Paid	SU-05 Paid	Date of Disbursement
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**For security of student information:**

- 1) **The diskette must be password protected. The password must be provided separately by phone or e-mail.**
- 2) **The diskette must be sent through a secured service (UPS, Federal Express, etc.).**

### INSTITUTION RESPONSE:

FPU agrees with the finding and will immediately implement the necessary changes to comply with the request and needs of the Commission. However, being that all records for 2004-2005 are closed at this time, it is not possible to implement these changes in our Student Information System for the 2004-2005 year. We have gone through the printed statements of the General Ledger Trial Balance for 2004-2005 as well as 7/1/05 - 3/31/06 and adjusted the paper printouts with appropriate highlights to accurately reflect the appropriate year. We do plan on adjusting the records for this current year (2005-2006) and continue this practice in the future.

**Response:** Fresno Pacific University - Cal Grant Reconciliation 2004-2005

### REVENUE:

Beginning balance on 7/1/04 for 2004-05	\$ 0.00
All Payments received from CSAC and posted to the General Ledger between 7/1/04 – 4/30/05 (end of FPU fiscal year)	5,018,918.00
LESS 2003 CSAC Payments posted to the General Ledger between 7/1/04 – 4/30/05 (end of FPU fiscal year)	- 192,577.00
Total CSAC Payments received and posted to the General Ledger between 7/1/04 – 4/30/05 (end of FPU fiscal year)	\$4,826,341.00



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**FINDINGS AND REQUIRED ACTIONS (continued)**


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Total CSAC Payments received and posted to the General Ledger between 7/1/04 – 4/30/05 (end of FPU fiscal year)	\$4,826,341.00
PLUS Total 2004 Payments received from CSAC posted to the General Ledger between 5/1/05 – 6/30/05	+ 21,088.00
Total 2004 Payments received and posted to the General Ledger between 7/1/04 – 6/30/05	\$4,847,429.00
PLUS Total 2004 Payments received from 7/1/04 – 6/30/05 but not posted until after 6/30/05	+ 35,567.00
PLUS Total 2004 Payments received and posted after 6/30/05	+ 50,018.00
Total 2004 CSAC Payments received by FPU	\$4,933,014.00

**EXPENSE:**

Total 2004 Disbursements made to students 7/1/04 – 6/30/05	\$4,908,502.00
PLUS Total 2004 Disbursements made to students 7/1/05 – 3/31/06	+ 25,530.00
Total 2004 Disbursements made to students	\$4,934,032.00
LESS 2004 Disbursements not reported to CSAC	- 2,428.00
	\$4,931,604.00
PLUS 2004 Undisbursed Funds (to be returned to CSAC)	+ 1,410.00
Total 2004 Funds received by FPU/returned to CSAC	\$4,933,014.00

Total 2004 Payments received and posted to the General Ledger between 7/1/04 – 6/30/05	\$4,847,429.00
Less Total 2004 Disbursements made to students 7/1/04 – 6/30/05	-4,908,502.00
Ending Balance as of 6/30/05	\$ (61,703.00)

Total 2004 Payments received and posted to the General Ledger between 7/1/05 – 3/31/06	\$ 85,585.00
LESS Total 2004 Disbursements made to students 7/1/05 – 3/31/06	- 25,530.00
	\$ 60,055.00
LESS 2004 Disbursements not reported to CSAC	- 2,428.00
	\$ 62,483.00
LESS 2004 Undisbursed Funds (to be returned to CSAC)	- 1,410.00
Balance between 7/1/05 – 3/31/06	\$ 61,703.00
PLUS Ending Balance as of 6/30/05	+ (61,703.00)
Final Ending Balance as of 3/31/06	\$ 0.00

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## FINDINGS AND REQUIRED ACTIONS (continued)

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Fresno Pacific will immediately make four changes in the administration of the Cal Grant Program which will provide the ability for seamless reconciliation of funds at any time.

- 1} At the suggestion of the Commission, beginning with the 2006 Award Year, FPU will use two separate account numbers to better reflect the tracking of Cal Grant funds across both fiscal and award years. A second set of Cal Grant award codes will be created in Financial Aid and the respective GL number tied to those award codes.
- 2} When payments are received from the Commission, the title of the Journal Entry will be modified to include the appropriate year for which the funds apply.
- 3} The Financial Aid transmittal process will be investigated to determine how to use our Student Information System to more easily and more accurately capture the student specific information for each transmittal (disbursement) of funds to the student account.
- 4} A full reconciliation of Cal Grant funds received/dispensed from the GL will be performed at the end of both the FPU fiscal year (beginning of May) and the end of the Cal Grant fiscal year (beginning of July) to determine whether excess/prior year carryover/deferred revenue Cal Grant funds exist (and supporting documentation will be kept)

### AUDITOR REPLY:

The institution supplied policies and procedures. This action is deemed acceptable and no further action is required.

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**ATTACHMENT A - STUDENT SAMPLE (continued)**

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No.	Student Name	Program	Status
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